

# **FULTON COUNTY INDUSTRIAL DEVELOPMENT AGENCY**

**TUESDAY  
OCTOBER 22, 2013  
8:00 A.M.**

**PLANNING DEPARTMENT CONFERENCE ROOM**

## **AGENDA**

### **PRESENT:**

\_\_\_ JOE GILLIS, CHAIRMAN  
\_\_\_ LEN HOUSE, VICE CHAIRMAN  
\_\_\_ WILLIAM SULLIVAN, TREASURER  
\_\_\_ TODD RULISON, SECRETARY  
\_\_\_ FRAN REED, MEMBER  
\_\_\_ JOSEPH SEMIONE, MEMBER  
\_\_\_ GEORGE BEVINGTON, MEMBER  
\_\_\_ JAMES MRAZ, EXECUTIVE DIRECTOR  
\_\_\_ KARA LAIS, FITZGERALD, MORRIS, BAKER, FIRTH PC  
\_\_\_ RALPH OTTUSO, LIAISON, ECONOMIC DEVELOPMENT COMMITTEE  
\_\_\_ LEADER HERALD

### **I. MINUTES FROM JULY 30, 2013 MEETING:**

MOTION :  
MADE BY :  
SECONDED :  
VOTE :

### **II. BUDGET REPORT:**

MOTION :  
MADE BY :  
SECONDED :  
VOTE :

### **III. COMMITTEE REPORTS:**

#### **A. Nominating Committee:**

- No report

#### **B. Audit Committee:**

- No report.

#### **C. Governance Committee:**

- Governance Committee met to conduct annual review of compensation provided to IDA staff. Committee recommendations were included in Draft 2014 Budget.

#### **D. Finance Committee:**

- No report.

#### **E. Tryon Subcommittee:**

- Subcommittee met on August 14, 2013 to discuss operation and maintenance issues regarding Tryon.
- Subcommittee met with C.T. Male and Supervisors on August 30, 2013 to discuss the County's construction project at Tryon and operation and maintenance issues.

### **IV. OLD BUSINESS:**

#### **A. Tryon Technology Park and Incubator Center Project:**

##### **1. Deed Transfer:**

- Attorneys are working toward closing.
- Update: Kara Lais

##### **2. Site Plan:**

- Review revised Site Plan.

##### **3. SEQR:**

###### **a. Proposed Action:**

1. The proposed action is the redevelopment of the former Tryon Juvenile Detention Facility into the Tryon Technology Park and Incubator Center.
2. The proposed project will include:
  - Potential physical alteration of 10+ acres of land.
  - Creation of shovel-ready sites.
  - Construction of new internal access roads and stormwater collection system.
  - Construction of new water and sewer lines.

- Renovation of sewer pump stations.
  - Building demolition.
  - Installation of gas and electric and communications and fiber optics.
- b. Classifying the Proposed Action:
1. The proposed action will involve the physical alteration of more than ten (10) acres of land.
  2. As a result, the proposed action should be classified as a Type I Action under SEQR.
- c. Involved Agencies:
1. Fulton County Industrial Development Agency.
  2. Fulton County.
  3. Gloversville Water Board.
  4. Gloversville Johnstown Joint Wastewater Treatment Plant (GJJWWTP).
  5. Empire State Development.
  6. NYS Department of Environmental Conservation.
  7. NYS Department of Health.
- d. Interested Agencies:
1. Town of Perth Planning Board.
  2. City of Gloversville.
  3. NYS Office of Parks, Recreation and Historic Preservation.
  4. U.S. Army Corps of Engineers
- e. Coordinated SEQR Review:
1. Given the existence of multiple Involved Agencies, it is recommended that:
    - a) A coordinated SEQR review be conducted.
    - b) It is recommended that the IDA Board serve as SEQR Lead Agency.
- f. Part I Environmental Assessment Form (EAF):
1. Part I EAF has been prepared.
  2. Part I EAF was e-mailed to all IDA members on October 18, 2013 to review prior to the IDA meeting.
- g. Review Proposed SEQR Resolution:
1. Proposed SEQR resolution would:
    - a) Classify the proposed action as a Type I Action.
    - b) Propose that the IDA Board serve as Lead Agency.
    - c) Authorize the distribution of the Site Plan and Part I EAF to all Involved Agencies asking for:
      - 1) Their consent to the IDA serving as Lead Agency.
      - 2) Their comments on whether the proposed action may create any environmental impacts.

IDA DISCUSSION:

IDA ACTION:

MOTION: To adopt the SEQR Resolution as presented.

MADE BY:

SECONDED:

VOTE:

**V. NEW BUSINESS:**

**A. Mike Mullis Visit:**

**1. Background:**

- a. Mike Mullis, President/CEO of J.M. Mullis, Inc., was invited to the Fulton-Montgomery County Region to assess this Region's ability to attract new businesses.
- b. J.M. Mullis, Inc. is an international site selection firm located in Memphis, TN that provides site selection services to companies seeking sites for new projects.
- c. J.M. Mullis works primarily with large companies on projects that normally require 200+ acre sites.
- d. On Thursday, September 5, 2013, Mr. Mullis toured sites in Fulton and Montgomery Counties. Participants in the tour were:
  - James Mraz, Planning Director
  - Mike Reese, FCCRG
  - Ken Rose, Montgomery County Business Development Center
  - Joe Russo, National Grid
- e. On Friday, September 6, 2013, Mr. Mullis spoke to 60+ local and State-elected officials, government administrators, local businesses and others.
- f. The following sections summarize the input Mike Mullis provided during his 2-day visit here.

**2. Reshoring Initiative:**

- a. Mike Mullis stated that there is an initiative ongoing in the United States called Reshoring. Reshoring is about bringing manufacturing jobs back into the United States.
- b. Technologically-advanced companies now require fewer people to manufacture product. As a result, the cost of labor has decreased because of technology. It was the low cost of labor that resulted in many manufacturing companies moving out of the United States to the Far East.
- c. With the increasing costs of shipping and logistics, and the lower cost of labor resulting from technology, manufacturing companies are looking to move back to the United States.
- d. Mike Mullis stated that this Reshoring Initiative will create opportunities over the next 5-8 years. He stated those communities that are prepared with 200+ acre sites and a

pro-business attitude will have opportunities to attract new manufacturing companies and new jobs.

- e. Mike Mullis stated that these manufacturing companies will be technologically advanced. As a result, these companies will be looking for a labor force educated in advanced manufacturing and technology.
- f. Mike Mullis stated that Walmart conducted a conference in August, 2013 in Orlando. They invited 1,400 companies that supply product to Walmart. Walmart advised these companies that it expects these companies to commence manufacturing its product in the United States if it wishes to continue to do business with Walmart.

**Key Point: The Fulton-Montgomery County Region has a 5-8 year window to attract a major manufacturer. To do so, the Region must prepare 200+/- acre shovel-ready sites as soon as possible.**

**3. Summary of Mr. Mullis' Input:**

a. One County vs. One Region:

- 1. Mike Mullis advised that one county can no longer market itself on its own due to not being big enough and not having enough resources or money to do so.
- 2. He recommended that, with respect to economic development, the two (2) Counties market the Region together.

b. Branding the Region:

- 1. Mr. Mullis recommended that Fulton and Montgomery Counties brand the Region to establish an identity that can be marketed.
- 2. Mr. Mullis advised that branding this Region's identity is important to distinguish it from other areas/regions in New York State and the northeast.

**Follow-up Action: Fulton and Montgomery Counties have hired North Star Destination Strategies, Inc. of Nashville, TN to conduct an economic development branding initiative for the 2-County Region.**

c. Shovel-Ready Sites:

- 1. Mike Mullis recommended that both Fulton and Montgomery Counties:
  - a) Identify at least two (2) 200+/- acre sites.
  - b) Complete the permitting for all sites.
  - c) Get water and sewer services to each site.

**Follow-up Action: Fulton County Board of Supervisors has directed the Planning Department to identify 200+/- acre sites that have potential to be considered shovel-ready sites.**

2. With respect to the Regional Business Park site, Mr. Mullis recommended steps be taken regarding this potential shovel-ready site:
  - a. Water and Sewer:
    - Fulton and Montgomery Counties must take a leadership role in getting a plan in place to bring water and sewer services to this site.
  - b. Evaluate Feasibility of Rail Service:
    - Contact CSX Railroad to determine their willingness to allow short line connection into their main track.
    - Develop estimated cost to restore infrastructure.
    - Identify short line rail operator.
    - Identify minimum number of cars/day needed to make short line run economically viable.
  - c. Develop Wetlands Mitigation Plan:
    - Identify wetlands on-site.
    - Develop Wetlands Mitigation Plan.
    - Present Plan to Army Corps.
    - Obtain Army Corps Permit for mitigating wetlands.
  - d. Acquire Options:
    - Acquire options on lands comprising site.

**Follow-up Action: Fulton and Montgomery Counties are each appropriating funds into their 2014 Budgets to pursue the recommendations made by Mr. Mullis as identified above. This project shall be referred to as Jump Start Fulton County: Regional Business Park Project.**

- d. Tryon Technology Park and Incubator Center:
  1. Mr. Mullis recommended that four (4) steps be taken regarding the development of the Tryon Technology Park and Incubator Center:
    - a) Conduct Targeted Industries Study:
      1. A Targeted Industry Study would include conducting the following:
        - a. Regional Labor Analysis:
          - Identify skills, training and educational levels existing labor force within 45-minute drive.
          - Identify labor costs and compare to other regions of New York State and USA.
          - Prepare labor force profile of Region. Benchmark profile to USA and New York State.
          - Survey employers in Region to obtain input on labor availability, cost, trainability and effectiveness of Region's training programs.

- b. Existing Transportation System:
    - Proximity to:
      - Deep Water Port
      - Commercial Airport
      - Rail
      - Intermodal
      - Interstate Highway System
    - Opportunities and limitations
  - c. Evaluate Utilities:
    - Identify existing electrical/gas service available.
    - Identify maximum electrical/gas service availability. Estimate cost to upgrade existing services.
  - d. Evaluate Water and Sewer:
    - Identify maximum volume of water and wastewater available.
    - Identify potential costs to increase capacity.
  - e. Cost of Living:
    - Conduct comparative cost of living analysis of this Region to other regions of New York State and USA.
2. Based upon these and other evaluations, identify industry clusters that would best be suited for Tryon.
  3. Develop Marketing Plan to attract those targeted industries.
  4. Identify leads within each Industry Cluster to contact regarding Tryon Park.
- b) Create Regional Business Training Center:
1. Based upon targeted industry clusters, identify training needs of those clusters.
  2. Identify training needs of existing businesses in Region.
  3. Discuss business training needs with FMCC/HFM-BOCES.
  4. Evaluate existing spaces in Building 3 at Tryon as potential business training spaces. Develop Renovation Plan to create Training Center spaces.
  5. Develop Regional Business Training Program:
    - Identify types of training to provide.
    - Identify equipment needed.
    - Identify building renovations needed.
    - Apply for grant money to renovate existing spaces.
    - Market Program.
- c) Back-Up Generator:
1. Conduct engineering evaluation of this generator to:
    - Identify capacity, type, age and full description of generator.
    - Identify how it could provide back-up power to businesses that located at Tryon.
    - Develop layout plan consistent with Site Plan.

- Identify how back-up power system would work.
- Prepare written report to provide to businesses.

d) Rename Tryon:

- As part of branding exercise being conducted for 2-County Region, rename Tryon to be consistent with new brand.

**Follow-up Action: Fulton County Board of Supervisors has included funding into its 2014 Capital Budget to complete a-c above. This project shall be referred to as Jump Start Fulton County: Tryon Marketing.**

**(See Agenda item D under Other Business on Page 11.)**

e. Transportation:

1. Rail:

- a) Mike Mullis stated that the availability of Class 1 Rail is important in economic development today. He stated Class 1 Railroads are the largest railroad companies in the United States. He stated the Class 1 Railroad Companies are currently at 170% capacity.
- b) Mike Mullis stated that 72% of all the inquiries his firm now receives from companies include a requirement for rail. He stated there is a huge pent up need for 200-acre sites with rail access.

2. Deep Water Ports:

- a) Mike Mullis stated that there is an increasing emphasis on deep water ports. He stated his company looks at access to deep water ports as part of its site selection criteria.

3. Airports:

- a) Mike Mullis stated that having reasonable access to an international airport is also important. He stated the Albany Airport is an excellent airport to travel through. He stated that facility is a good marketing tool for this region.

4. Intermodal:

- a) Intermodal transportation involves the transportation of freight in an intermodal container vehicle using multiple modes of transportation such as rail, shipping and truck without any handling of the freight itself when changing modes. This method reduces cargo handling, improves security, reduces damage and loss and allows freight to be transported faster.
- b) Mike Mullis recommended that the Fulton-Montgomery County Region evaluate its abilities to provide and have access to intermodal transportation.



f. Incentives:

1. Mr. Mullis stated that the \$53/\$1,000 combined property tax rate in the Cities of Johnstown and Gloversville is **VERY** high. He stated that these high tax rates make PILOT's in New York State a requirement in order to be competitive.
2. Mr. Mullis stated that a PILOT would need to be in the 15-20 year period in order to make projects competitive given the current local combined tax rate.

g. Extending Water and Wastewater Services Outside of Cities:

1. Mike Mullis stated he read that there is a belief in this Region that if a development occurs in one (1) municipality, there is no benefit to an adjoining municipality. He stated such a belief is wrong and makes no sense. He stated Fulton and Montgomery County officials need to be smarter than that.
2. Mike Mullis stated that if a Region can get a company to move there, the entire Region benefits not just the municipality the project is located in. There should be no other story or discussion to the matter. He said elected officials in Fulton and Montgomery Counties must get over that misconception.

h. Petty Politics:

1. Mike Mullis emphasized and stressed that “petty politics” must be set aside in order for economic development to be successful. He stated, with the abilities of firms like his to conduct online research, it is very easy for site selection firms and the companies they represent to know a lot about a community before it even arrives in that community.
2. He stated he read the articles about the Cities of Gloversville and Johnstown publicly bickering over a land transaction regarding the FAGE Expansion Project. He stated when companies hear about those petty political arguments, they question wanting to move to an area where they can't get along.
3. He advised local officials that you may think you live in a sheltered environment, but the fact is you don't. The world knows what you are doing.

i. Government Factors:

1. Mike Mullis stated that the average time it takes for projects he's involved with to go through the permitting process and construction is 15 months.
2. Mike Mullis stated that when his firm comes to a region to discuss a potential project, his first objective is to find out if government is on the side of business. He stated that local governments should be rallying around the theme of creating jobs. He stated that is what economic development is about.

IDA DISCUSSION:

**B. Tryon Subcommittee:**

- Tryon Subcommittee met and discussed potential O & M expenses that could be incurred in 2014 with IDA taking ownership of Tryon.
- Subcommittee met with Supervisors to discuss these expenses.
- It was agreed to have IDA submit budget request to Board of Supervisors for funds to help the IDA pay for these O & M expenses.
- IDA would contract for O & M work. IDA would pay for bill and then seek reimbursement from the County.
- IDA submitted a proposed \$50,000 budget request to Economic Development Committee at its October 1, 2013 meeting. Committee unanimously approved the request.
- Finance Committee met on October 3, 2013 and also approved the IDA's budget request.
- As a result, the IDA's proposed 2014 Budget includes \$50,000 in expenses and revenues for the Tryon Project.

**C. Proposed 2014 Budget:**

|   | 2012 ACTUAL |                  | 2013 BUDGET |                  | 2014 BUDGET          |
|---|-------------|------------------|-------------|------------------|----------------------|
| <b><u>REVENUE:</u></b>  |             |                  |             |                  |                      |
| <b>Operating Revenues</b>                                       |             |                  |             |                  |                      |
| Charges for services  | \$          | -                | \$          | -                |                      |
| Rental & financing income                                       |             |                  | \$          | -                |                      |
| Other operating revenues  | \$          | 43,334.74        | \$          | 400.00           |                      |
| <b>Nonoperating Revenues</b>                                    |             |                  |             |                  |                      |
| Investment earnings   | \$          | 517.97           | \$          | 500.00           | \$ 500.00            |
| State/Federal subsidies/grants                                  | \$          | -                | \$          | -                |                      |
| Municipal/Public authority subsidies/ grants<br>-Fulton County* | \$          | -                | \$          | -                | \$ 50,000.00         |
| Other nonoperating revenues                                     | \$          | 6,742.86         | \$          | 67,468.00        | \$ 56,900.00         |
| <b>Total Revenues</b>   | <b>\$</b>   | <b>50,595.57</b> | <b>\$</b>   | <b>68,368.00</b> | <b>\$ 107,400.00</b> |
| <b><u>EXPENDITURES:</u></b>                                     |             |                  |             |                  |                      |
| <b>Operating Expenditures</b>                                   |             |                  |             |                  |                      |
| Salaries and wages  | \$          | 19,879.06        | \$          | 20,268.00        | \$ 22,400.00         |
| Other employee benefits   | \$          | -                | \$          | -                | \$ -                 |
| Professional services contracts                                 | \$          | 23,575.00        | \$          | 23,500.00        | \$ 23,600.00         |
| -West & Company   |             |                  | \$          | 10,000.00        | \$ 10,000.00         |
| -FCCRG Marketing  |             |                  | \$          | 5,000.00         | \$ 5,000.00          |
| -Legal  |             |                  | \$          | 8,000.00         | \$ 8,000.00          |
| -CFO  |             |                  | \$          | 500.00           | \$ 600.00            |
| Supplies and materials  | \$          | -                | \$          | -                | \$ -                 |
| Other operating expenditures                                    | \$          | 7,141.51         | \$          | 24,600.00        | \$ 61,400.00         |
| -Insurance  | \$          | 847.60           | \$          | 3,000.00         | \$ 0.00              |
| -Meetings   | \$          | 445.00           | \$          | 700.00           | \$ 700.00            |
| -NYSEDC Membership  | \$          | 450.00           | \$          | 500.00           | \$ 500.00            |
| -Park Maintenance   | \$          | -                | \$          | 200.00           | \$ -                 |
| -Miscellaneous  | \$          | 5,398.91         | \$          | 200.00           | \$ 200.00            |
| -Tryon Technology Park Marketing Project                        | \$          | -                | \$          | 20,000.00        |                      |
| -Tryon: Building Systems Startup*                               |             |                  |             |                  | \$ 15,000.00         |

|   |           |                  |           |                  |           |                   |
|---|-----------|------------------|-----------|------------------|-----------|-------------------|
| -Tryon: Building Systems Maintenance Contracts* |           |                  |           | \$               | 10,000.00 |                   |
| -Tryon: Gas/Electric Usage*                     |           |                  |           | \$               | 10,000.00 |                   |
| -Tryon: Property Maintenance Contracts*         |           |                  |           | \$               | 5,000.00  |                   |
| - Tryon: Building Repairs*                      |           |                  |           | \$               | 5,000.00  |                   |
| - Tryon: Install New Door Locks*                |           |                  |           | \$               | 3,000.00  |                   |
| -Tryon: Water/Sewer Usage*                      |           |                  |           | \$               | 1,000.00  |                   |
| -Tryon: Insurance*                              |           |                  |           | \$               | 1,000.00  |                   |
| -Tryon: Marketing/Capital                       |           |                  |           | \$               | 10,000.00 |                   |
| <b>Nonoperating Expenditures</b>                | <b>\$</b> | <b>-</b>         | <b>\$</b> | <b>-</b>         | <b>\$</b> | <b>-</b>          |
| Payment of principal on debt                    | \$        | -                | \$        | -                | \$        | -                 |
| Interest and other financing charges            | \$        | -                | \$        | -                | \$        | -                 |
| Grants and donations                            | \$        | -                | \$        | -                | \$        | -                 |
| Other nonoperating expenditures                 | \$        | -                | \$        | -                | \$        | -                 |
| <b>Total Expenditures</b>                       | <b>\$</b> | <b>50,595.57</b> | <b>\$</b> | <b>68,368.00</b> | <b>\$</b> | <b>107,400.00</b> |

IDA DISCUSSION:

IDA ACTION:

MOTION: To approve the IDA's 2014 Budget as presented and authorize the Executive Director to file the Budget under PARIS.

MADE BY:

SECONDED:

VOTE:

**D. National Grid's Strategic Economic Development Program:**

- National Grid provides funding for eligible economic development projects through its Strategic Economic Development Program.
- The marketing initiatives for the Tryon Technology Park and Incubator Center Project recommended by Mr. Mullis are eligible projects for funding under this program.
- The Program would pay for 50% of eligible costs.
- Fulton County is not an eligible applicant for these funds but the IDA is.
- It is recommended that the IDA apply for funds under this Program. These funds would be matched with Fulton County funds to undertake these initiatives.
- National Grid advises that it typically takes four (4) weeks to review and act on applications for funding.

IDA DISCUSSION:

IDA ACTION:

MOTION: To authorize the Executive Director to submit an application to National Grid's Strategic Economic Development Program requesting funding to implement various marketing initiatives for the Tryon Technology Park and Incubator Center Project.

MADE BY:

SECONDED:

VOTE:

**VI. OTHER BUSINESS:**

**VII. CLOSE MEETING:**

MOTION :

MADE BY :

SECONDED :

VOTE :

TIME :